



FOR IMMEDIATE RELEASE

Jan. 6, 2009

## MAYOR JERRY SANDERS FACT SHEET

### **CITY TO CONDUCT FIRST PUBLIC BOND OFFERING SINCE 2003** ***OFFERING WILL ATTRACT \$64 MILLION INVESTMENT IN WATER-REVENUE BONDS***

Delivering on his pledge to restore San Diego's credibility on Wall Street, Mayor Jerry Sanders has announced that the city's Water Revenue Bonds (Series 2009A) will be offered to investors starting next Monday, Jan. 12. City officials expect the offering will attract \$64 million from retail and institutional investors.

The bond offering is the city's first in more than five years. It comes on the heels of the completion of the city's 2007 Comprehensive Annual Financial Report. In the past two years, the city has cleared the back-log of five annual audits that had blocked San Diego's access to the public markets.

The bonds, which offer federal and state tax-exempt interest for California residents, will refinance a two-year private loan that funded upgrades to San Diego's water system infrastructure. The bonds are payable solely from revenues of the Water Utility Fund and are not secured by the city's general fund.

The bonds are rated AA- by Standard & Poor's and Fitch and A1 by Moody's. The city's ability to return to the public markets is expected to help garner lower interest rates on the bonds.

The lead underwriter on the transaction is Morgan Stanley & Co. Inc. The Preliminary Official Statement (POS) for the 2009A Bonds is available at the city's Investor Information Web page at: <http://www.sandiego.gov/investorinformation/main.htm>. (See Current Official Statements under Investor Information.)

Serial bonds will mature from 2009 through 2018, and term Bonds will mature in 2023, 2028 and 2038. The bonds, which will be available in \$5,000 denominations, will be sold during the week of Jan. 12 with anticipated delivery the week of Jan. 26.

Investors interested in purchasing these bonds should contact their financial adviser for more information.

This announcement is neither an offer to sell nor a solicitation to buy any of these securities. The offering is made only by the final Official Statement.

**Proposed New Issue**



**\$64,000,000\***

**Public Facilities Financing Authority of  
the City of San Diego**

**Water Revenue Bonds, Refunding  
Series 2009A**

(Payable Solely From Installment Payments Secured  
by Net System Revenues of the Water Utility Fund)

**Ratings: "AA-" | "AA-" | "A1"**  
(S&P/Fitch/Moody's)

**Priority Order Period for Retail Buyers  
January 12, 2009\***

Institutional Sale January 13, 2009\*

- Federal and California tax-exempt interest for California residents\*\*
- Maturities range from 2009 to 2038\*
- Bonds expected to be delivered January 27, 2009\*
- Bonds will be available in \$5,000 denominations

Please contact your financial advisor or any of the firms listed below for additional information or copies of the Preliminary Official Statement ("POS"). The POS can also be accessed from the following link:

<http://www.munios.com/id.asp?id=%9D%9Dw%81%7F%9A%A3ml1235>

Or the City's investor web site:

<http://www.sandiego.gov/investorinformation/>

**Morgan Stanley**  
(800) 869-3326

**J.P. Morgan**  
(800) 777-1234

**Estrada Hinojosa & Company  
Inc.**  
(800) 676-5352

**Ramirez & Co., Inc.**  
(800) 888-4086

**Siebert Brandford Shank & Co. LLC**  
(800) 334-6800

\* Preliminary, subject to change.

\*\* Upon the issuance of the Bonds, Fulbright & Jaworski L.L.P., Bond Counsel, will deliver an opinion that interest on the Bonds will be excluded from gross income of the owners of the bonds for federal income tax purposes and exempted from California personal income taxation under existing law as more fully set forth in the Official Statement.